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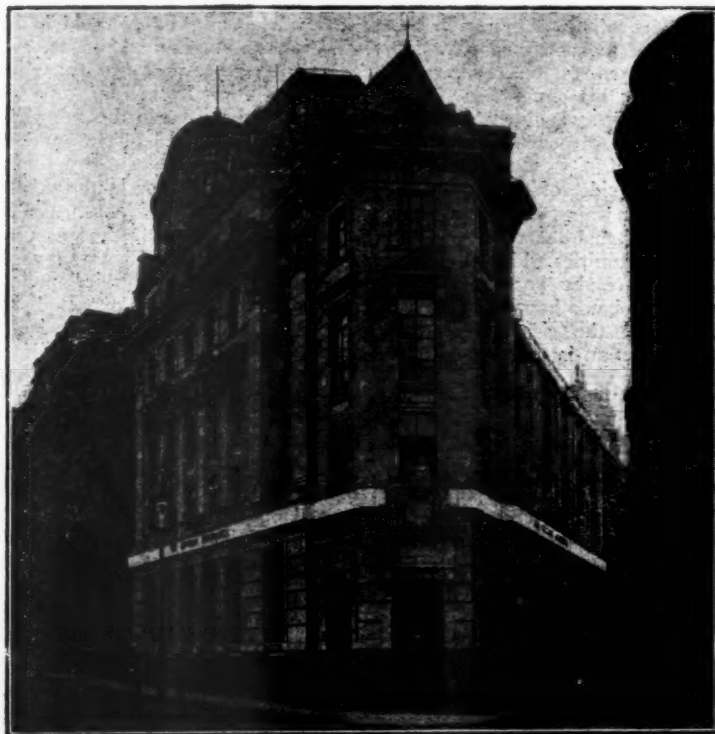
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THIRD CENTURY OF ACTIVE BUSINESS

Branches and Agencies throughout the World

CONTENTS

The Practice and Finance of Insurance	130
Lloyds	132
Scandinavian Insurance	133
State Monopoly in Life Insurance	136
Stock Market Letter	136
Figures and Prices	140
New Issues	142
Company Reports	142
Colonial News	142
Dividends	143
Publications Received	143

All communications respecting this department should be addressed to The City Editor, the SATURDAY REVIEW, 10, Throgmorton Avenue, E.C.2. Telephone: London Wall 5485.

THE PRACTICE AND FINANCE OF INSURANCE

BY AN ACTUARY

ALTHOUGH the man in the street has a very fair grasp of the practical conveniences and necessities of insurance, he knows little or nothing of the theory and practice upon which the insurance structure has been raised. He avails himself of its conveniences and necessities and trusts to the stability of the insurance office of his selection in the same manner and for the same reason as he trusts to the stability of his bank—he depends upon public reputation. And here he is wise in his generation, for a public reputation for trustworthiness gained by many years of fair dealing is more to be depended upon than any analysis of published figures.

But even upon the practical side, of which, as we say, the man in the street has a fair grasp, insurance develops very rapidly, and the casual observer does not always keep pace with the opportunities which are made available for him. For instance, he knows that he can insure his house—should he be so happy to possess one of his very own—against the risks of fire at eighteenpence per cent. per annum, but does he know that for an additional threepence per cent. he can cover himself against a good many risks which are excluded from the ordinary fire policy? There are many virtues in this extra threepence per cent., seeing that it covers loss or damage (by fire or otherwise) caused directly by explosion, by riots, civil commotions or usurped power (other than that of a foreign enemy), strikers, locked-out workmen or persons taking part in labour disturbances, or by malicious persons connected with political organisations. Further, he is protected from damage caused by aircraft or from articles dropped therefrom, and from fire damage due to earthquake or subterranean fire. Some of these risks, no doubt, are small, but others upon occasions might become considerable. Cover against them all is well worth the extra threepence per cent. Then as a householder the man in the street is familiar with the ordinary two shilling per cent. insurance upon his goods, and is aware that he can take out policies covering the risks of burglary and theft, and his statutory liabilities in respect of accidents to his servants. But does he know that for a premium of five shillings per cent. he can protect himself against all the above risks and many others under a "householder's comprehensive policy" which really is comprehensive? In this policy we have the ills and liabilities of householders set forth and provided for: fire, explosion, lightning, storm and tempest, riots and civil disturbances, aircraft, bursting or overflow of pipes, burglary and larceny, servant's goods, loss of rent during reinstatement, accidents to servants, liability to third parties, and compensation for fatal injury to the householder should his death be caused by fire or burglars or housebreakers. We have not mentioned everything, but this rapid summary will give an idea of the wide sweep of the householder's comprehensive policy. In the days of specialist insurance offices—one for fire, another for accident, another for burglary, and so on—it was necessary to gather up a bundle of distinct policies, but now that all the big companies insure

against every kind of insurable risk, we have arrived at a comprehensive simplicity.

In the matter of life assurance the man in the street has shown himself to be wiser by instinct than have been the critics by the exercise of their profound learning. Life assurance offices suffered severely during the war. They not only found themselves liable for the war risks of their assured under pre-war "whole world and indisputable policies"—so that policyholders could not be charged an extra premium when they engaged in the war—but in the course of the war years, and in the years immediately following the war, the life offices saw their cherished investments, upon which their long contracts were based, shrinking in value year by year. The total depreciation before the turn came amounted in the average to about thirty per cent., and a great many offices found it necessary to stop paying bonuses to "with profit" policyholders. It was as much as they could do to provide for depreciation without showing an actual deficit. Under these distressing circumstances one would have expected the man in the street, as soon as he had been released from war service, to be rather shy of life assurance, especially of that branch of it which was co-operative—in which the policyholder took the risks and the benefits of insuring "with profits." He might have said in his heart: "The life offices have not earned profits, and are not likely for years to come to earn profits; why should I, therefore, pay an additional premium for a share in profits which are not likely to be forthcoming?" It was anticipated that the demobilised officers and men would argue in this way, and when the great and astonishing boom came in life assurance in the years 1919 and 1920, the expectation was that "non-profit" life assurance would be much more popular than assurance "with profits." One well-known life office went so far as to abandon the issue of new "with profit" policies. But instead of reasoning, as had been expected, the man in the street, who had learned courage during the war, showed a wonderful grasp of the whole life assurance situation. He argued—perhaps not in so many words—like this: "It is a long road which has no turning. The value of investments can't fall for ever, and in any case the old policyholders have suffered the loss, not me. If I come in when securities have been written down to the bone, I get the benefit of the higher rates of interest earned on the reduced values, and I shall also benefit by any general improvement in life assurance conditions. It is common knowledge that in the past, before the war, life assurance was the best investment open to a poor man, and is still the only possible form of compulsory saving available to men like me. So here goes." And although there were timid men in the street who went for fixed non-profit life policies, there were a great many others, bold fellows, who backed their luck and took out "with profit" policies.

The boom in life assurance in 1919 and 1920—especially in that part of it which was concerned with co-operative with-profit assurance—was the most remarkable exhibition of public intelligence which we have seen. The man in the street confounded the prophets and has proved himself to be, in his common sense and shrewd judgment, an instinctive Daniel. For, though he did not put his opinion into so many words—as we have done for him—he proved by his actions that he had grasped the essentials of the situation. In all the valuation reports issued this year the life offices have resumed their pre-war rates of bonus distribution. Depreciation of investments has stopped and values have gone up all round. By judicious sales and reinvestment the life offices will take full toll of this appreciation. Net rates of interest earned on life funds are higher now than they were before the war, and the reduction in the income tax will add some three or four shillings per cent. to the already handsome net earnings. There will be a large profit from interest. Mortality rates, too, are low, surprisingly low. The prophets expected a considerable deterioration in public health as a consequence of the war: the public, as a

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matter of fact, was never healthier. The younger ones among us gained much more than they lost in vigour by war service; the older ones were driven by rations and by after-war poverty to live more simply. In these modern days the mortality tables of life offices are hopelessly out of date; we live in a persistent fashion which makes nonsense of them. Not long since one first-class life office revealed a mortality experience during five years—of which three were war years—of one third less than the tables predicted. A fifth less or a quarter less are common experiences. To a profit from interest the life offices are adding a great profit from low death rates. Expenses are somewhat higher, but if we take the position all round, the life offices have rarely been in a better position to resume their old rates of bonus, and even to improve upon them, than at any time in their long history. The inarticulate horse sense of the man in the street has been justified, and although there has been some slackening in the rush for life assurance, the results for 1921—a year of unexampled trade depression—are better than in any year except those wonder years of 1919 and 1920.

Life office, and life policyholders, are coming back to their own, but the big insurance offices are generally passing through an unfavourable period. The marine companies and marine insurance departments, which made fabulous profits out of the war, are cutting down their business all round and struggling to avoid losses. For a year or two at least they have no prospect of profits. The fire departments have had a year of heavy claims, especially in the United States, where their business is much greater than it is here. The accident and miscellaneous departments are doing fairly well thanks to a revision of premiums in some branches, such as burglary and motor car insurance, in which losses were very heavy a year ago. The cessation of depreciation of investments is a great relief to all departments of insurance. The most serious feature is the increase all round of expenses. The big insurance companies have seen an average increase in their expenses of about one third during the past ten years. The man in the street thinks that insurance is an immensely profitable class of business. It is not. The insurance offices pay large and regular dividends on a small paid-up capital by means of the interest-earnings upon their invested funds, but their trading profits—measured in terms of their liabilities—are relatively quite small. In the course of the past five years, though most of them have been good years, practically the whole of the trading profits have been absorbed by depreciation in investments, home and foreign taxation, and provision for increased liabilities. Had depreciation continued, there is scarcely a big insurance office which would not now be losing money. Insurance offices are strong and eminently trustworthy because of their prudence in finance. In good years they pile up reserves; from the interest earned by these reserves the shareholders get the dividends which look so bountiful, and those reserves form during bad years a very present help in trouble. Insurance finance is a delicate balance of assets and of liabilities. It is only by continual additions to the assets scale that the liabilities scale is made to kick the beam. There is no insurance company which could last very long if managers and directors allowed their attention to flag, or began to play tricks—as was done by the City Equitable—with the assets upon which their whole business and reputation are based.

LLOYD'S

(By A MEMBER)

A FEW merchants and sea-captains for the quality of the coffee or some other reason fall into the habit of taking their morning beverage at Mr. Lloyd's coffee-house near Cornhill. As they drink they talk business, doing deals with one another and discussing the ventures that they have to distant parts of the globe, against the loss of which they

naturally must protect themselves. So full of business does the coffee-house become that it is soon worth the while of underwriters, the individual business men who insure the merchant's ventures for them, to spend most of their time there, and before long it is recognised that if you want an underwriter you are more likely to find him at Mr. Lloyd's than anywhere else. So the coffee-house becomes a marine insurance magnet. In time it develops into an institution, and, thanks to good fortune and its connection with one or two commanding personalities, the institution grows more and more important, moves its home, to become a Corporation with its own Act of Parliament and a remarkable reputation for enterprise and honest dealing. Later still, an underwriter with more than his fair share of imagination conceives it to be possible that Lloyd's ought to be a market for other insurances than those on ships and cargo, and begins to accept risks of fire, burglary, and accident. The enterprise prospers and the Corporation which was once a coffee-house becomes the largest single insurance institution in the world, with an aggregate premium income in a normal peace year of £30,000,000 and a unique goodwill both at home and in foreign countries.

A history such as this proves that the system on which Lloyd's underwriters work must have some peculiar merit, a quality that other systems, rich and powerful as they are, do not in the same degree possess. What is the secret? To find it we must think of Lloyd's as the coffee-house, the casual meeting place where one man is as good as another, and every man, so long as he pays his footing, may take his own line and give expression to his own opinions. The coffee-house was in fact a free market, and it is this spirit of freedom, tempered by the restraint of a communal feeling, that has made Lloyd's what it is to-day. Every underwriter is doing business for himself and the few others who entrust their fortunes to his charge. He may specialise on any kind of insurance legally open to him. He may accept and refuse what risks he likes, according to his own judgment, without thought or consideration for managers or boards of directors and without the cramping feeling that for every loss he may be called to account by a dozen elderly gentlemen who have no more than a nodding acquaintance with underwriting, and if they criticise his conduct, as they probably will, can be relied on to be tolerably silly in their criticisms.

The effect of this atmosphere of freedom has been to give Lloyd's an extraordinary flexibility, a power of meeting new conditions and developing new forms of insurance that the best-managed company cannot enjoy. Of the underwriters who fill the room every man can specialise in a particular kind of risk, knowing more about the Baltic trade or the diamond business or the fire risk of cotton mills than his neighbours, and so securing a recognised "lead" for that class of business. He may concentrate on a form of insurance for which he sees a demand that nobody has catered for, try his hand at it, and, if successful, become the market for it, increasing the public's opportunities for insurance and bringing to the Room a new volume of premium income. For this reason Lloyd's underwriters are almost always among the pioneers of insurance, leading the way for others, necessarily more conservative, to follow. They were among the first to cover burglary, loss of profits through fire, workmen's compensation, motor cars, bad debts, aeroplanes, and were the originators of those useful comprehensive policies by which most householders now cover all the risks incidental to their homes in one single policy. They are pioneers because of the freedom and the elasticity of the system of individual underwriting.

With all its good qualities and its wonderful adaptability, this system is not without its dangers, the chief of which is naturally individual recklessness, and the greatest problem that Lloyd's Committee, which is responsible for the management of the Corporation, has had to face in the past thirty years is the provision of

adequate safeguards for the security of policy-holders without a reduction of the freedom and enterprise of individuals. When a merchant or a private person takes out a policy through a Lloyd's broker, he cares little or nothing who the particular underwriters signing his policy may be. At best they are mere names to him, and his only concern is that they shall be underwriting members of Lloyd's. To the assured Lloyd's is not what it is to those whose daily work lies in town, a collection of men, each with peculiarities and idiosyncracies of his own. It is simply Lloyd's, and when merchants go there for insurance they want to be satisfied that whoever may accept the risk, the claims, if any, will be met. If Mr. Jones who signs their policy should fail to pay, it would be no satisfaction to them to know that Mr. Smith, who sits at the next seat to Mr. Jones, is bursting with money and meeting his claims generously. In other words, though the liability of Lloyd's underwriters is separate and individual, the credit of Lloyd's is one and the failure of any member would react disastrously on all.

It was the recognition of this fact, that the credit of Lloyd's is that of its weakest member, which led the Committee in the early years of this century to introduce reforms and institute a far stricter control over the finances of the underwriters. Hitherto the Committee had been satisfied to consider the financial position of every candidate for membership and take from him a deposit of £5,000, reserved for use in case of his insolvency, leaving him, once he had been elected, to dispose of premiums as he liked and never inquiring again into the condition of his assets. The change introduced was simple but effective. All members of Lloyd's were invited, not compelled, to submit their accounts at the end of every year to official auditors, who would be required to say whether or not they disclosed a condition of solvency according to a standard laid down by the Committee. A list of those who had submitted their accounts and "passed the audit" would every spring be published at Lloyd's, so that brokers would know who was safe to deal with and who was not. The result has been that no underwriter who does not pass the audit can continue to do business at Lloyd's, for no broker will place a risk with a man who has failed to get through. In fact the condition of doing business as an underwriter is to satisfy at the beginning of every year exacting financial conditions which only those who are undeniably solvent can hope to meet.

This yearly audit is now the financial basis of Lloyd's. Other reforms have been introduced, such as the payment of all premiums into trust, the giving of mutual guarantees among underwriters, the limitation of a man's premium income according to his assets, the power of the Committee to make good out of the corporate funds the deficiency of individuals. But the foundation of it all is the audit which has completely transformed the accounting systems of underwriters and enormously added to the strength and prestige of Lloyd's. Before the war there were in the Press and in Parliament certain opponents of Lloyd's who constantly criticised the financial security of its policies and attempted to kill it as a non-marine market. But the audit and its complementary safeguards have been too strong for them, and to-day, when a newer type of company has been somewhat unfortunate, Lloyd's remains not only as a great free market but as an institution whose financial standing is beyond reproach or question.

SCANDINAVIAN INSURANCE

Denmark. A bill, which is being promoted by the Danish Government, stipulates that in future all foreign life offices, trading in the country, will have to invest there the entire premium reserve of their Danish policies. Hitherto, they were bound only to keep a fixed amount (100,000 kroner) in Denmark to transact busi-



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ness. The proposed new regulations are dictated by the slump in most Continental currencies, and by the consequent danger that companies established in countries with heavily depreciated exchanges, might perhaps find it difficult to meet their Danish commitments. This measure will probably allay any anxiety which may have been felt on this score amongst the insured, but it is by no means sure that all trouble will be avoided, though such difficulties would naturally become less pressing under the new regime. The foreign companies, which are already trading in Denmark are likely to be given ample time—it is believed that it is proposed to fix a limit of ten years—to comply with the law. Those, however, which may be unable, or unwilling to do so, risk having their trading licences cancelled, and to have receivers appointed to manage their outstanding policies. During the past six months quite a number of Danish Marine and Reinsurance Companies have had to stop. In most cases the unlucky ventures were "war babies" created during the promoting boom, which was fostered by the huge premiums obtainable during the war, and by the large profits earned by the old-established concerns. People with small experience and no acquaintance with the international insurance market promoted companies with small, and partly paid-up capitals, which underwrote the most risky policies, chiefly abroad. Naturally the shares were not always taken up by the best people, and when the boom collapsed the unpaid calls became doubtful assets. Large direct, and indirect losses brought about by failure abroad, forced as many as thirty companies to cease business, or to take refuge under the wings of more solvent offices. As recent events have proved, these amalgamations were not all quite above board. These events have, unfortunately, done harm to the credit of the sound pre-war offices, which had up to then enjoyed a good reputation in the international insurance world. Even the companies which have stood the strain, have not done too well in 1921, as the slump in tonnage, and the laying up of many steamers during the second half of the year has reacted unfavourably on the marine business. Since a few weeks the situation of the Danish shipping industry, which had been adversely affected also by labour troubles, has improved, and the underwriters will certainly benefit by this recovery.

Sweden. While in Denmark, Norway, and in other countries hundreds of new insurance companies were started between 1914 to 1919, the Swedish business world certainly displayed commendable caution. In the marine branch only four new ventures were constituted during that period, and this wise attitude has been a boon to the underwriting circles of the country. There are now some fifteen marine companies and a few mutual marine offices operating there, whose position has been considerably strengthened by the reserves accumulated during the fat years. The lean period which began in 1921 and which is probably not yet a thing of the past had therefore less danger for them than for many companies, which had sprung up elsewhere, but conservative experts, pointing to the widespread losses brought about by failing re-insurers, and to the general position of the international marine branch, remonstrate against any over-estimation which may be based on past events as regards the absolute security of all companies concerned. Axel Rinman, a prominent figure in the Swedish market, for instance, laid special stress in the "Gotsborgs Handels och Sjöfartstidning" on the very small margin of profit—too small to assure absolute soundness, he stated—with which the marine companies are working generally. He concluded that, should the crisis be protracted, the position would become very difficult for more than one Swedish company. The fire insurance companies appear to have suffered less from the prevailing depression, and cancellations have been rather less numerous than might have been expected under the circum-

stances. Financial considerations have forced insurers to maintain values for insurance purposes, and it is perhaps not surprising that owing to the depression in trade merchants feel that they cannot afford to run the risk of possible under-insurance. The slackness in the building trade, however, has restricted the new business for some years already, and a reduction in costs would improve conditions in this respect. As regards the life insurance business, the Swedish companies have concluded during 1921 new policies of a value of about 390 million kronor, which is about twenty per cent. below the total of 1920. It is believed that owing to the influenza epidemic which had been raging in the winter, rather better business has been secured during the present year. Thus this ill wind has blown some good to the Swedish life companies, and it may be observed that it very often happens that what seems to be bad for the public is actually good for those who supply it with insurance facilities, and sometimes for the public who—witness the effect of war privations in England in prolonging the average life of the insured.

Norway. Shipping and marine insurance circles in Norway are greatly disturbed by the Government proposal for the compulsory mutual insurance of all national vessels by their owners. It is hardly necessary to point out that the carrying out of this scheme would have a very damaging influence on the business of the marine underwriters, whilst it is doubtful whether all shipowners are well disposed towards it. This at least is the view expressed by the leading Norwegian Marine Insurance Associations in a petition submitted to the Storting. The insurance people, as a matter of fact, request the members of this legislative body to reject the Government bill as it stands, and to adopt the now classical method of shelving contentious business by transferring its consideration to a committee of experts. During the war over one hundred new insurance companies were founded in Norway, having an aggregate capital approaching 100 million kroner. The majority of these new ventures have taken up marine insurance as their leading line. Besides the 186 Norwegian offices which carried on business in the beginning of 1920, about 80 foreign concerns were trading at that time in Norway. Their number has decreased considerably since. The most painful development in this respect has been the stoppage of the Norske Lloyd which occurred in December last. This company was not one of the war-born newcomers. It was founded in 1905, and had a fully paid-up capital of 10 million kroner. Instead of confining themselves to the good business carried on before the war, the directors of the company afterwards launched out boldly on the international market, opened offices in London and New York and established agencies in other important shipping centres. According to the balance-sheet to December 31, 1920, the reserve fund amounted to over 7 million kroner. In view of the company's prosperous past and of the standing of the board, its chairman being M. Gunnar Knudsen, president of the Storting, the collapse, due chiefly to losses incurred abroad, created a great sensation. Hopes, however, were entertained at that time that the company might be resuscitated after settlement of its liabilities. The course of this liquidation apparently is strewn with difficulties. Only a few days ago it was reported from New York that the insurance department insisted on the immediate winding-up of the American branch. According to the *Journal of Commerce* the investigation has disclosed that the liabilities in the U.S.A., mostly unpaid marine claims, amount to about \$1½ million, against which there are assets estimated at \$873,047 as security for the policy-holders. It is stated that at the beginning of 1921 the American branch had reported assets amounting to over \$4 millions, but that during that year a loss of \$2,120,148 had been shown. In view of the position no further business can be con-



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tracted by the company in the United States. The American manager has opposed the decision of the Insurance Department. Nothing has transpired, so far, as to the final outcome.

STATE MONOPOLY IN LIFE INSURANCE

ACCORDING to a report issued by the Italian National Insurance Institute, of which an English translation has been forwarded by a correspondent in Italy, it appears that two of the most important private life insurance companies are fighting hard to secure the postponement of the State monopoly that was established by an Act of 1912, with the proviso that a ten years' interval should pass before it came into operation. As the date draws near on which State monopoly is to begin, agitation for its postponement is evidently rife. As the report says, "the private companies' agents are now joining in the campaign carried on by some papers, reinforced by the declarations made by shareholders at the balance meeting, while several reports are being submitted to the Government and to the Chamber, to prove the political and economic necessity of having the question of life insurance in Italy seriously examined from a fresh standpoint and finally solved by a radical change in the present provisions. The responsible bodies have shown themselves alive to the inexpediency of such a demand and no authoritative voice has been raised to support the claims of the two companies."

It is indeed hardly reasonable to ask that a temporary concession should be converted into a perpetual privilege, since the aim of the legislator had been exclusively that of avoiding a too quick transition from free competition to monopoly. Were such claims acknowledged, the law would be tampered with to the advantage of two single companies of all those working in Italy in 1912, who, for the most part, have submitted to the law and have so far believed in its being enforced as to base on it their own provisions, forecasts, etc., preparing themselves to hand over their business to the National Institute or to withdraw from the home market within the considerable lapse of time allowed. But even apart from the unfairness to those companies who most believed in the Italian laws and from the deplorable effect the measure would have abroad, there are, according to expert opinion, other and perhaps stronger reasons for opposing the claims put forward by the 'Assicurazioni Generali di Venezia' and the 'Compagnia Adriatica di Sicurtà,' and above all others there is the fundamental one which has prompted the Act of 1912. Ever since that time it became perfectly clear that only through a monopoly, the ends contemplated by the State could be attained; that free competition would never allow the reduction of production costs or to improve the whole insuring organism, and that by prolonging a state of uncertainty and controversy, besides the insuring concerns, the very idea of thrift which was meant to spread and grow, would be irreparably impaired. In regard to life insurance, competition does not consist in a lower tariff or in a better service, as the insured person is hardly expected to know the exact cost of the insurance or the intrinsic value of the engagements taken towards him, while tariffs cannot undergo any modification apart from many formalities and controls. The real competition takes place by a higher commission, by securing the best agents, by allowing the insured to pay by some covert means, a smaller premium than he ought, by inserting into the insurance policy some special clauses whose honesty is hardly to be relied upon, but which give the impression of a great liberality of dealing. Competition is carried on by such means as these, each and all extremely dangerous to a healthy development of the insuring industry. Things being so, it is inadequate to compare the latter to other industries, since in

their cases competition doubtlessly represents a most effective impulse towards progress and development. It must be noted that both companies, which most strenuously oppose monopoly, dispose of an extensive and very promising area in the nations which have arisen from the Austrian Empire, as well as in the whole Mediterranean East. No one ever sought to hinder their work in those provinces, where, on the contrary, they would represent for our country an excellent means of economic and political penetration."

These extracts from the official report on the position are highly instructive and informing, especially in the candid admission that "only through a monopoly can the ends contemplated by the State be attained." It would surely have been expected that in all countries the prestige of the State, from the point of view of financial security, as compared with that even of the strongest private company, is so great that in a matter like life insurance, in which security is by far the most important consideration, the State ought to have a substantial handicap in its favour if it chose to set about the business of competing with companies. In this country the healthy prejudice against official bungling and muddling would lead most of us to feel quite confident that even with this advantage in its favour a State insurance department would by no means distinguish itself in competition with alert and adaptable business organisations, and that financial prestige would not save it from drawbacks and failures involved by red tape. In Italy a similar conclusion seems to have been arrived at by the official Insurance Institute itself. It admits that it must have monopoly in order to achieve its ends; and it explains this need by the very interesting and curious disquisition on competition in life insurance, distinguishing it from competition in other industries, in the case of which it is admitted to represent a most effective impulse towards progress and development. The report does not explain why life insurance should be subject to this curious blight which makes competition in it so especially undesirable because it can only work through means "extremely dangerous to a healthy development of the insuring industry." In this country at least, and in a few others that might be named, life insurance business, working through competition, seems to have achieved results that are by no means dangerous either to the assured or to the companies engaged in the business. So much so that if the ambitions were ever achieved of those who look for progress through nationalization, it seems very likely that here, as in Italy, the nationalizers would be afraid to face the competition of private enterprise and would be obliged to secure monopoly by purchase or by compensation or by confiscation or somehow. Granted monopoly, there can, of course, be no doubt that a State could conduct life insurance business now that its problems have been simplified by a century or more of experience gained by private enterprise and also by the progress of sanitation, which, by lengthening human life in civilized countries, provides a continuous margin in favour of the insurer. But it is safe to predict that if ever life insurance were in the hands of a State monopoly its progress would at once be checked, when the spur of profit earning was taken away, and that less life insurance would be done. Unless, of course, the State, having acquired monopoly and made a failure of it, took the next step and went on to the tyranny of compulsory insurance.

STOCK MARKET LETTER

The War Loan is making its steady way to par, but gilt-edged stocks as a whole suffer from the lassitude produced by the heat, and it is known also that a number of new issues, more or less gilt-edged in character,

London and Manchester

Assurance Company, Ltd.

ESTABLISHED 1869

Allied with National Amalgamated Approved Society for National (Health) Insurance

Chief Office: 50 FINSBURY SQ., LONDON, E.C. 2.

Yearly Premium Income exceeds	-	-	£1,400,000
Funds exceed	-	-	£3,500,000

ATTRACTIVE ORDINARY AND INDUSTRIAL TABLES. LIFE AND
ENDOWMENT ASSURANCES AND ANNUITY BUSINESS TRANSACTED

Claims Paid exceed	-	-	-	-	£6,500,000
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MOTOR INSURANCE IN 1922

Make a point of consulting

BRIG.-GEN. SIR DAVID KINLOCH, Bt.

before you again pay out a
heavy premium for your
accident (Motor) insurance.
Be wise in time. Economy
can and should be effected.

Address all communications:

**ST. KATHERINE DOCK HOUSE, TOWER HILL,
LONDON, E.1**

hover in the near offing. The Home Railway market is the strongest of the lot. Recently the hunt has been for stocks in what may be called the smaller railways, the buyer's idea being to pick up stock in any company which is likely to be taken over by one of the leading railways at a price, of course, which anticipation hopes will be well in advance of the market quotation. Within the last few days, however, violent rises in North Eastern and North Westerns show that the trend is veering round to the stocks of the predominant partners, and the yields offered by the principal issues are considered by the speculative investor as sufficiently generous to insure him against what risks there may be in the future of possible dividend-reductions, owing to labour demands and the like.

Some of the speculative buyers of Home Railway stocks are asking whether there is any way by which they can insure themselves against the risk of losses in regard to such purchases. The speculator limits his losses through the system of options. Quick to seize upon an opportunity for appealing to the small man, the "bucket-shops" have started a campaign of great activity, in which option-dealing is the outstanding feature. Many people have "made" quite a lot of money on paper; not so many, however, have been able to get their profits from firms who display more coyness in parting with cash than modesty in advertising the attractions of stocks which, too frequently, they merely run against their victims. The Stock Exchange option-dealer almost invariably buys half the stock, if he takes money against a call of securities. If a man gives option money for the purchase of say £1,000 North Western Ordinary, the Stock Exchange option-dealer will buy £500 stock immediately, in order to cover partially his risk, but the temptation to the outsider is to take the money and trust to a rise not taking place. If the latter occurs, then the "bucket shop" secures the cash paid. If the price does go up, then it is up to the client to see whether he can get his money or not.

The mention of insurance is a reminder of the fact that at the present time the market for shares is fairly well supplied. For instance, in a list issued by a Stock Exchange firm, we find that there are on offer Alliance £1 paid, Commercial Unions, Employers' Liability, Guardians, Londons, Phoenix, Prudential, Royals and Sea shares. This is a somewhat unusual state of affairs, because it often happens that insurance shares are more difficult to buy than they are to sell. Prices in this market, however, have reached levels at which the return on the money may be roughly stated as ranging from $4\frac{1}{2}$ to 6 per cent. on a number of the best-class shares. From the business point of view, last year produced results scarcely up to the bumper figures secured in the previous twelve months, but, as it is, the companies of the best class pay a very substantial part of their dividends out of the interest which they derive from their investments. On those investments, the appreciation during the past six months is known to have been great, and this in itself is taken as affording assurance to the presumption that the companies will steadily increase their dividends. In the market, one hears little of the exaggerated expectations of melon-cutting which were current in the City a year or two ago. The only spectacular movements in insurance shares which are at all likely to occur may come about through possible absorptions of smaller companies by larger brethren, and for indications of this there are always people on the keen look-out. Yields are comparatively modest, owing to the fact that the holder of shares is well content to await the steady increase in dividends upon which he counts with justifiable confidence. Regarded broadly, the trend of prices can scarcely be otherwise than upward, and there is no cessation of the steady investment into insurance shares which goes on unceasingly on the part of those who have found, by the experience of their fathers and grandfathers as well as their own, that few investments pay so well in the long run. JANUS.

BRITANNIC

ASSURANCE Co. L^{TD.}

Public Confidence and its Justification.

Some figures from the 1921 Report and Accounts.

More than 10,000 new policies were issued in 1921 in the Ordinary Branch alone, which in a year of admitted bad trade is an undoubted proof of the public's trust in sound Life Assurance.

More than £900,000 was paid in claims in 1921, justifying that trust.

Premium Income for the year in respect of Life Assurance amounted to £2,303,865.

Total Income from all sources amounted to £2,640,325. Total Outgo amounted to £1,893,804, leaving a balance of Income over Expenditure of £746,521.

Total funds amount to £6,723,413.

The above figures show that the position of the Britannic grows stronger year by year.

Established 56 years ago, the 1921 Valuation result proves that sound methods characterise the policy of the Britannic.

Its Two Million policyholders may safely feel that their money is being wisely handled to their advantage.

BONUS INCREASED.

The Valuation Surplus enabled the Directors to declare a Reversionary Bonus for the year of £1 6s. per £100 Sum Assured to all Ordinary Branch policies in the Immediate Profit Class.

Full particulars, prospectuses, etc., will be sent on application to:—

CHIEF OFFICES:

**Broad Street Corner,
BIRMINGHAM**

THE INVESTMENT THAT IS SURE AND LEAVES NOTHING TO CHANCE

£2,000 Guaranteed to YOU or YOUR Estate

The investing Public has realised for some time that the money market has been most unstable; this has given cause for great anxiety to the heads of business firms and others. The family man is more than ever concerned as to his and his dependents' future, and rightly so. Such will be interested to know that an absolutely safe investment can be secured in the form of a Gold Bond guaranteed over the Seal of a great and wealthy Institution established 75 years ago and which has funds of £16,500,000.

A Gold Bond can be secured by small Annual Deposits.

If a healthy man at age say 35 deposits annually £66 5s. 0d. he immediately receives a Gold Bond for £1,000. In the event of death, even after only one deposit has been made, all further deposits are cancelled, and £2,000 is guaranteed to his estate as follows:—

£50 per annum for 20 years, making £1,000, and at the end of that 20 years a lump sum of £1,000 will be paid, making a total of £2,000.

In the event of the holder of the Bond surviving 20 years from the date of the Bond he would receive immediately profits estimated at £520, and thereafter 20 annual payments of £50 each as above stated, and one year after the final payment of £50 is made the face value of the Bond of £1,000 would be payable, making altogether £2,520. In addition to this the Bond would share in the annual interest earnings of the Company.

This investment at present enjoys Income Tax rebate at 2/6 in the £1 off each deposit up to one-sixth of the Bondholder's income.

On application the attractive booklet entitled "A Gilt-edged Investment" will be forwarded, giving further advantages and fuller particulars.

J. R. WANDLESS, F.I.A., Manager.

CANADA LIFE ASSURANCE CO.,
15 King Street, London, E.C. 2.

MUTUAL LIFE ASSURANCE

The Scottish Provident Institution

(ESTABLISHED 1837)

UNDER ITS
DISTINCTIVE SYSTEM
ISSUES THE
PERFECT FORM OF POLICY
(LOW PREMIUMS WITH LIMITED PAYMENTS)

HEAD OFFICE
6 ST. ANDREW SQUARE, EDINBURGH

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3 LOMBARD STREET, E.C. 3
17 PALL MALL, S.W. 1

ACCUMULATED FUNDS . . £17,000,000

The LATEST FEATURE IN LIFE ASSURANCE

A GUARANTEED ANNUAL BONUS OF £3 PER CENT.

Under Whole Life (Limited Payment)
and Endowment Assurances

APPLY for ATTRACTIVE PROSPECTUS
GIVING FULL PARTICULARS TO

WESLEYAN AND GENERAL ASSURANCE SOCIETY

Principal Office: BIRMINGHAM.

ANNUAL INCOME EXCEEDS . . £1,600,000
CLAIMS PAID EXCEED . . . £11,000,000

A. L. HUNT, F.S.S., F.C.I.I.
General Manager.

British Equitable ASSURANCE COMPANY, LIMITED.

Accumulated Funds exceed £1,629,000
Subscribed Capital . . . £300,000
Paid-up Capital . . . £34,500

The Company transacts the following classes
of business:—

LIFE. FIRE. ESTATE DUTIES.
PLATE GLASS. BURGLARY. SICKNESS.
ACCIDENT. MOTOR CAR. THIRD PARTY.
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DOMESTIC SERVANTS. SHOP ASSISTANTS
AND SINKING FUND.

Write for particulars of the
**NEW MONTHLY PREMIUM
POLICY WITHOUT MEDICAL
EXAMINATION**

To the Manager,
1, 2 & 3 Queen St. Place, London, E.C.4.

FIGURES AND PRICES

PAPER MONEY (in millions)

		Latest Note Issue.	Stock of Gold.	Ratio Gold to Notes.	Previous Note Issue.	Note Issue April 30, 1921.
European Countries						
Austria	Kr.	344,870	?	%	346,698	45,088
Belgium	Fr.	6,3024	267	4	6,302	6,106
Britain (B. of E.)	£	101	157	39	107	109
Britain (State)	£	297			325	338
Bulgaria	Leva	3,615	61+	1+	3,570	3,194
Czecho-Slov.	Kr.	9,784	1,072+	10+	10,076	10,929
Denmark	Kr.	438	228	52	404	532
Estonia	Mk.	700	428+	60+	350	—
Finland	Mk.	1,406	43	3	1,415	1,451
France	Fr.	35,847	5,527	15	36,123	38,211
Germany	Mk.	142,903	1,002	—	142,464	70,840
Greece	Dr.	2,255	1,368+	60+	2,118	1,688
Holland	Fl.	1,025	612+	58+	1,044	1,043
Hungary	Kr.	30,717	?	—	30,580	13,114
Italy (Bk.)	Lire	13,928	1,394	10+	14,050	14,649
Jugo-Slavia	Dnrs.	4,815	70	1	4,819	3,722
Norway	Kr.	376	147	38	385	430
Poland	Mk.	255,543	29	—	257,332	86,755
Portugal	Esc.	749	9	1	752	647
Roumania	Lei	13,922	4,662	33	13,864	11,273
Spain	Pes.	4,209	2,522	60	4,221	4,215
Sweden	Kr.	568	274	48	582	681
Switzerland	Fr.	783	545	69	801	971
Other Countries						
Australia	£	56	23	41	58	59
Canada (Bk.)	\$	163	163	36	194	203
Canada (State)	£	269			269	264
Egypt	£E	31	3	9	34	34
India	Rs.	1,717	24	13	1,739	1,673
Japan	Yen.	1,055	—	—	1,114	1,147
New Zealand	£	8	8+	100+	8	8
U.S. Fed. Res.	\$	2,147	3,005	139	2,159	2,930

†Total cash.

GOVERNMENT DEBT (in thousands).

	May 20, '22.	May 13, '22.	May 21, '21.
Total deadweight	7,627,311	7,634,204	7,578,129
Owed abroad	1,084,833	1,084,833	1,123,873
Treasury Bills	781,839	771,069	1,132,997
Bank of England Advances	—	9,500	11,250
Departmental Do.	161,601	169,721	164,619

NOTE.—The highest point of the deadweight debt was reached at Dec. 31, 1919, when it touched £7,998 millions. On March 31, 1921, it was £7,574 millions, and on March 31, 1922, £7,654 millions. The increase of £80 millions shown by the latter figures is nominal and due to a conversion scheme. During the year £88 millions was actually devoted to redemption of Debt.

GOVERNMENT ACCOUNTS (in thousands).

	May 20, '22.	May 13, '22.	May 21, '21.
Total Revenue from Ap. 1	117,382	99,273	132,469
Expenditure	95,551	84,335	144,372
Surplus or Deficit	+21,831	+14,938	-11,903
Customs and Excise	37,416	27,376	42,140
Income and Super Tax	41,539	39,471	48,542
Stamps	1,372	1,332	1,334
Excess Profits Duties	964	954	13,620
Post Office	6,500	5,500	6,250
Miscellaneous—Special	8,432	5,556	9,407

BANK OF ENGLAND RETURNS (in thousands)

	May 25, '22.	May 18, '22.	May 25, '21.
Public Deposits	18,562	12,971	16,419
Other	113,874	126,091	112,060
Total	132,436	139,062	128,479
Government Securities	49,188	55,448	38,106
Other	74,593	75,102	89,140
Total	123,781	130,550	127,246
Circulation	120,890	121,071	127,808
Do. less notes in currency reserve	101,440	101,621	108,358
Coin and Bullion	128,881	128,879	128,349
Reserve	26,441	26,258	18,992
Proportion	19.9%	18.8%	14.1%

CURRENCY NOTES (in thousands)

	May 25, '22.	May 18, '22.	May 25, '21.
Total outstanding	296,920	298,793	333,165
Called in but not cancd.	1,621	1,624	2,093
Gold backing	28,500	28,500	28,500
B. of E. note, backing	19,450	19,450	19,450
Total fiduciary issue	247,349	249,219	283,122

BANKERS CLEARING RETURNS (in thousands)

	May 25, '22.	May 17, '22.	May 25, '21.
Town	617,574	652,365	587,260
Metropolitan	29,876	31,369	30,618
Country	52,468	58,478	52,418
Total	699,918	742,212	670,296
Year to date	16,282,479	15,582,561	14,555,137

LONDON CLEARING BANK FIGURES (in thousands)

	April, '22.	Mar., '22.	Apr., '21.
Coin, notes, balances with	£	£	£
Bank of England, etc.	212,144	207,900	204,983
Deposits	1,782,118	1,791,860	1,751,719
Acceptances	57,069	57,558	63,595
Discounts	323,260	353,901	278,302
Investments	396,079	386,013	322,784
Advances	763,415	764,508	869,901

MONEY RATES

	May 25, '22.	May 18, '22.	May 25, '21.
Bank Rate	%	%	%
Do. Federal Reserve N.Y.	4½	4½	7
3 Months' Bank Bills	2½-7½	2½	5½-1
6 Months' Bank Bills	2½-7½	2½	5½-1
Weekly Loans	2½-1	2½-1	5½

FOREIGN EXCHANGES (telegraphic transfers)

	May 25, '22.	May 18, '22.	May 25, '21.
New York, \$ to £	4.45	4.45	3.95½
Do., 1 month forward	4.45½	4.45½	—
Montreal, \$ to £	4.49	4.49	4.45
Mexico, d. to \$	26½d.	26½d.	30½d.
B. Aires, d. to \$	44½d.	45½d.	46½d.
Rio de Jan., d. to milrs.	7½d.	7½d.	8½d.
Valparaiso, \$ to £	37	35.70	—
Montevideo, d. to \$	43½d.	43½d.	43½d.
Lima, per Peru £	17% prem.	17% prem.	—
Paris, frs. to £	48.60	48.80	46.25
Do., 1 month forward	48.60	48.80	—
Berlin, marks to £	1,230	1,315	240½
Brussels, frs. to £	52.55	53.58	46.25
Amsterdam, fl. to £	11.45	11.47½	11.16½
Switzerland, frs. to £	23.35	23.22	22.12
Stockholm, kr. to £	17.23	17.38	16.94
Christiania, kr. to £	24.35	23.95	25.54
Copenhagen, kr. to £	20.50	20.87	22.02½
Helsingfors, mks. to £	215	215	193
Italy, lire to £	84	85½	72½
Madrid, pesetas to £	28.10	28.35	29.82½
Greece, drachma to £	107	107½	72½
Lisbon, d. to escudo	4½d.	4½d.	6½d.
Vienna, kr. to £	43,500	42,000	1,600
Prague, kr. to £	233	233	269½
Budapest, kr. to £	3,750	3,425	—
Bucharest, lei to £	645	640	231
Belgrade, dinars to £	300	300	122½
Sofia, leva to £	610	600	320
Warsaw, marks to £	18,500	18,000	3,850
Constantinople, piastres to £	690	660	508
Alexandria, piastres to £	97½	97½	97½
Bombay, d. to rupee	15½d.	15½d.	15½d.
Calcutta, d. to rupee	31½d.	31½d.	29½d.
Hongkong, d. to rupee	42½d.	42½d.	38½d.
Shanghai, d. to tael	27½d.	27½d.	27½d.
Singapore, d. to \$	29½d.	25½d.	29½d.
Yokohama, d. to yen	—	—	—

UNEMPLOYMENT

	May 15, 1922.	May 8, 1922.	Mar. 20, 1922.	June 24, 1921.
Men	—	—	1,367,974	1,549,307
Women	—	—	293,088	477,627
Juveniles	—	—	99,014	159,985
Total	1,553,500	1,587,125	1,760,076	2,177,899

COAL OUTPUT

	May 13, 1922.	May 6, 1922.	Apr. 29, 1922.	May 6*, 1921.
Week ending	tons.	tons.	tons.	tons.
	4,945,200	4,766,600	5,160,100	—
	89,953,200	85,008,000	80,241,400	48,105,280

*Dispute.

IRON AND STEEL OUTPUT

	1922.	1922.	1922.	1921.
	Apr.	Mar.	Feb.	Apr.*
	tons.	tons.	tons.	tons.
Pig Iron	394,300	389,000	300,100	60,300
Yr. to date	1,371,400	977,100	588,100	1,552,000
Steel	404,200	549,400	415,000	70,600
Yr. to date	1,696,100	1,291,900	742,500	1,405,600

*Coal Mining Dispute.

PRICES OF COMMODITIES **METALS, MINERALS, ETC.**

	May 25, '22.	May 18, '22.	May 26, '21.
Gold, per fine oz.	93s. 5d.	93s. 2d.	103s. 4d.
Silver, per oz.	36½d.	37d.	33½d.
Iron, Sc'h pig No. 1 ton	£4.16.0	£4.16.0	£6.6.0
Steel rails, heavy "	£9.5.0	£9.5.0	£15.0.0
Copper, Standard "	£62.8.9	£61.17.6	£74.16.3
Tin, Straits "	£151.2.6	£150.5.0	£182.2.6
Lead, soft foreign "	£24.2.6	£24.5.0	£24.2.6
Spelter "	£27.11.9	£27.2.6	£28.0.0
Coal, best Admiralty "	27s. 9d.	28s. 6d.	*57s. 0d.

*Coal Dispute.

CHEMICALS AND OILS

Nitrate of Soda, per ton	£16.0.0	£16.0.0	£21.10.0
Indigo, Bengal per lb.	9s. 6d.	9s. 6d.	10s. 0d.
Linseed Oil, spot per ton	£44.0.0	£45.0.0	£31.10.0
Linseed, La Plata ton	£19.15.0	£21.10.0	£16.10.0
Palm Oil, Benin spot ton	£31.10.0	£33.5.0	£32.15.0
Petroleum, w. white gal.	1s. 5d.	1s. 5d.	2s. 4½d.
Turpentine cwt.	70s. 6d.	76s. 6d.	90s. 0d.

FOOD

Flour, Country, straights ex mill 280 lb.	43s. 6d.	44s. 0d.	59s. 0d.
Wheat, English Gaz. Ave. per 480 lbs.	55s. 11d.	55s. 5d.	87s. 6d.
Wheat, No. 2 Red Winter N.Y. per bush.	143½ cents.	158 cents.	185 cents.

TEXTILES, ETC.

Cotton, fully middling, American per lb.	11.94d.	12.15d.	8.07d.
Cotton, Egyptian, F.G.F. Sakel per lb.	18.75d.	18.50d.	18.00d.
Hemp, N.Z. spot, per ton	£31.10.0	£31.0.0	£42.10.0
Jute, first marks "	£32.0.0	£30.0.0	£30.0.0
Wool, Aust., Medium Greasy Merino lb.	17d.	17d.	14d.
La Plata, Av. Merino lb.	13d.	13d.	10½d.
Lincoln Wethers lb.	7½d.	8d.	7½d.
Tops, 64's lb.	58d.	58d.	42d.
Rubber, Std. Crepe, lb.	7½d.	7½d.	9d.
Leather, sole bends, 14-16lb per lb.	2s. 4d.	2s. 5d.	2s. 5d.

OVERSEAS TRADE (in thousands)

	Apr., 1922.	Apr., 1921.	1922.	1921.	%
Imports	80,662	89,951	314,288	397,557	— 20
Exports	55,508	59,868	241,570	287,654	— 16
Re-exports	9,200	8,524	37,986	35,371	+ 7
Balance of Imports	15,954	21,559	34,732	74,532	— 53
Ext. cotton gds. total	14,949	13,389	60,632	74,947	— 19
Do. piece gds. sq. yds.	302,598	186,761	1,197,527	912,778	+ 31
Expt. woollen goods	4,652	5,570	19,467	25,032	— 26
Export coal value...	4,650	1,310	19,666	15,388	+ 27
Do. quantity tons...	4,097	606	17,333	6,004	+ 188
Export iron, steel...	4,979	6,923	21,262	31,329	— 32
Export machinery...	4,281	7,784	20,598	29,542	— 30
Tonnage entered ...	3,313	2,624	12,032	10,952	+ 9
" cleared ...	4,184	1,888	16,804	10,065	+ 67

INDEX NUMBERS

United Kingdom—	Apr., 1922.	Mar., 1922.	Feb., 1922.	Apr., 1921.	July, 1914.
Wholesale (Economist).	1,008	980	948	1,196	579
Cereals and Meat ...	667	687	640	723	382
Other Food Products	1010	1,038	1,037	1,031	616
Textiles	709	700	694	936	464
Minerals	890	892	936	1,043	583
Miscellaneous	4,285	4,297	4,259	4,929	2,586

Retail (Ministry of Labour)—	Apr., 1922.	Mar., 1922.	Feb., 1922.	Apr., 1921.	July, 1914.
Food, Rent, Clothing, etc.	181	182	186	228	100

Germany—Wholesale (Frankfurter Zeitung)	May 1, 1922.	Apr. 1, 1922.	Mar. 1, 1922.	Mar. 1, 1921.	average 1913.
All Commodities	585	543	435	131	9.23

United States—Wholesale (Bradstreet's)	May 1, 1922.	Apr. 1, 1922.	May 1, 1921.	Aug. 1, 1914.
All Commodities	11.744	11.5317	10.8208	8.7087

FREIGHTS

From Cardiff to	May 25, 1922.	May 18, 1922.	May 25, 1921.
West Italy (coal)	10/6	12/0	18/0
Marseilles "	11/0	11/0	16/0
Port Said "	13/6	14/0	17/6
Bombay "	22/0	22/0	23/0
Islands "	10/0	10/0	12/0
B. Aires "	13/0	14/0	20/0
From			
Australia (wheat)	42/6	45/0	52/6
B. Aires (grain)	26/3	26/3	52/6
San Lorenzo "	27/6	27/6	55/0
N. America "	2/9	2/9	5/6
Bombay (general)	18/0	18/6	20/0
Alexandria (cotton-seed)	10/6	10/6	14/6

*Nominal owing to mining dispute.

TRADE OF COUNTRIES (in millions)

COUNTRY.	Months.	1922.		Exports.
		Imports.	Exports.	
Belgium Fr.	12½	10,064	7,147	— 2,907
Bulgaria Leva	9½	1,900	1,000	— 900
Denmark Kr.	2	178	150	— 28
Finland "	3	488	463	— 25
France Fr.	3	5,267	5,369	+ 102
Germany Mk.	2	24,800	29,060	+ 4,260
Greece Dr.	1	159	68	— 76
Holland Fl.	3	484	303	— 181
Spain Pes.	12½	1,200	798	— 402
Sweden Kr.	2	126	99	— 27
Switzerland Fr.	12½	2,296	2,140	— 156
B. S. Africa £	12½	53	61	+ 8
Brazil Mrs.	12½	1,090	1,710	+ 30
Canada \$	2	106	94	+ 12
Egypt £	12½	56	42	— 14
India Rs.	2	74.46*	68.22*	— 6.24*
Japan Yen.	4	762	397	— 365
New Zealand £	12½	43	45	+ 2
United States \$	3	692	862	+ 170

*Lakhs.

1921+

SECURITY PRICES

BRIT. AND FOREIGN GOVT.

	May 25, '22.	May 18, '22.	May 25, '21.
Consols	57½	58	47
War Loan 3½% ...	94½	94½	88
Do. 4½% ...	96	96	80½
Do. 5% ...	99½	99½	88½
Do. 4% ...	100½	100½	97½
Funding 4% ...	87½	88	71½
Victory 4% ...	89½	89½	79½
Local Loans 3% ...	66½	66	53½
Conversion 3½% ...	77½	77	—
Bank of England	255	257	182½
India 3½% ...	69	69	57½
Argentina (86) 5% ...	99½	99½	93
Belgian 3% ...	70	73	57
Brazil (1914) 5% ...	69½	69½	56
Chilian (1886) 4½% ...	83	83	74
Chinese 5% '96	91	91½	84½
French 4% ...	34½	35½	35½
German 3% ...	2½	2½	6½
Italian 3½% ...	24	24	27½
Japanese 4½% (1st)	103	102½	108½
Russian 5% ...	15	15½	14

RAILWAYS

Great Central Pref.	20½	20½	10½
Great Eastern	40½	39½	28
Great Northern Pref.	69½	69½	45
Great Western	103½	100½	69½
London Brighton Def.	20½	61½	42
London Chatham	11½	11½	6
L. & N.W.	101½	98½	71½
L. & S.W. Def.	29	28	20½
Metropolitan	46	44½	27
Do. District ...	37½	37½	19½
Midland Def.	66½	64½	45½
North Brit. Def.	20½	19½	12
North Eastern	111½	105	74
South Eastern Def.	38½	37½	23½
Underground "A" ...	7/0	6/9	7/9
Antofagasta	62½	59½	48
B.A. Gt. Southern	71	72	52½
Do. Pacific	47½	47	35½
Canadian Pacific	159	158	141½
Central Argentine	64½	64	47
Grand Trunk	1½	1½	4½
Do. 3rd. Pref....	43½	5	12½
Leopoldina	27½	27½	20
San Paulo	126	127½	121½
United of Havana	58½	58	60

INDUSTRIALS, ETC.

Anglo-Persian 2nd Pref....	25/9	25/6	1/3 prem.
Armstrongs	16/3	16/3	17/0
Brit.-Amer. Tobacco	79/0	78/6	66/3
Burmah Oil	5½	5½	6½
Coats	64/0	64/0	46/3
Courtaulds	52/0	49/7½	35/6
Cunard	21/0	21/9	19/6
Dorman Long	17/0	17/0	16/9
Dunlop	6/3	8/7½	11/3
Fine Spinners	39/6	38/6	35/0
Hudsons Bay	6½	6½	6½
Imp. Tobacco	60/0	60/0	48/3
Linggi	23/6	25/0	23/9
Listers	23/3	23/6	17/6
Marconi	2 27/32	2½	2 15/32
Mexican Eagle	3 17/32	3½	6½
P. & O. Def.	320	325	335
Royal Mail	94½	92	87½
Shell	5½	5½	5½
Vickers	11/6	12/0	13/3

New Issues

Straits Settlements Government 4½ per cent. Inscribed Stock, 1935-45. The loan issued at £95 per cent. is the second instalment of an issue to produce a total of £10,000,000, plus the cost of issue, raised for the purpose of re-loan to the Federated Malay States Government, partly to enable that Government to repay debt due to the Government of the Straits Settlements, but chiefly to pay for large railway, harbour and other public works now in course of construction and about to be constructed during the next two years. It is secured on the general revenues and assets of the Government of the Straits Settlements, but an Act has been passed in the Federated Malay States pledging the repayment of the loan and the loan charges from the revenues of the latter Government, and there is thus a double security behind the loan. The principal of the loan will be payable at par on June 15, 1945, by a Sinking Fund of not less than one pound per cent. per annum, commencing December 1, 1924, but the Government of the Straits Settlements will have the option of redemption at par on or after June 15, 1935, on giving six months' notice. The prospectus gives the Revenue Expenditure, Imports and Exports of the Straits Settlements and the Federated Malay States from 1911 to 1920, the latest date for which complete figures are available. Estimates of the figures for 1921 should have been given. It may be noted that in 1920 the expenditure of the Federated Malay States exceeded revenue by \$28,000,000. The stock is a trustee security, but the interest rate offered is not markedly attractive.

Rand Water Board. Issue of £400,000 5 per cent. stock, with principal repayable at par in June, 1950, as at the option of the Board, on three months' notice in or after June, 1932. Particulars published for information only, the issue having apparently been placed, though nothing is said as to terms.

Wanganui Borough. In this case also subscriptions are not invited, but the advertised statement says that the Bank of New Zealand is "negotiating the sale" of £122,500 5½ per cent. Debentures, under authorization by the Mayor and Councillors of the Borough.

Company Reports

Royal Mail Steam Packet. The gross profit for 1921 was £668,400 or £169,000 less than for the previous year. Miscellaneous revenue raised the total income to £710,935, against £922,223. After payment of Debenture interest and adding £110,828 brought forward £603,763 remained with which to be dealt. Interest and discount absorbed £96,336 and the fixed dividends on the Preference stock £103,500. Out of remaining £403,927 the Ordinary stock receives 6 per cent. (in comparison with 7 per cent.) and the carrying forward is £7,000 lower at £103,927. A year ago £260,000 was placed to the Reserve Fund which this year receives nothing and remains at £1,600,000, but the Insurance Fund is increased by £157,000 to £1,022,288. Bills payable, sundry balances, etc., are £332,000 higher at £7,901,655. The gross tonnage of fleets owned or affiliated has risen from 2,035,332 to 2,144,877. As with most shipping companies the book value of the fleet is lumped with other items, in this case "payments on account of tonnage building, investments in allied companies and in war securities." The total has risen from £15,996,960 to £18,524,873. Sundry investments, the nature of which is unstated, have fallen from £373,959 to £290,989. The auditor mentions that the securities held for investments are "valued at or under cost." Premises are £309,000 higher at £1,177,791. Debtors are £687,000 lower at £505,118, and Cash, Bills Receivable, etc., stand at £421,413 against £1,349,311. The report refers to passenger traffic to and from South

America as being still seriously affected by adverse exchange and the competition of foreign lines, which in some cases receive substantial aid from their governments. With the object of stimulating traffic, reductions in fares have been made and further modifications are in contemplation.

Darjeeling Co. This is one of the oldest tea companies, having been registered in 1864. The 1921 season was again unfavourable for yield, continuous rain, absence of sunshine and an early close contributing to a small output. The crop of tea produced amounted to 523,584 lb., being a decrease of 144,416 lb. compared with the estimated output and 40,770 lb. less than in 1920. Quality was satisfactory and market conditions favourable, the average price realized for the crop being 1s. 7.51d. per lb. Exchange with India was on a lower basis, averaging 1s. 5.3d. for the rupee against 2s. 11½d. for 1920. Cost of production amounted to 1s. 3.93d. per lb., being 4.03d. per lb. less than the previous year. The net profit for the year was £7,676, and adding sundry receipts and £1,000 brought forward, the sum available was £10,646. A dividend of 5 per cent. is declared, requiring £6,771 (comparing with 2½ per cent. for 1920), an Estates Improvement Fund receives £2,000, and £1,875 is carried forward. The Reserve Fund stands at £31,512. The estimated crop for 1922 is 668,000 lb. The local cost of production will be increased owing to an increase in the wages paid to garden labour "but a further fall should compensate for this in large measure."

Colonial News

Canada. Normal weather and the satisfactory condition of the soil have enabled more seeding to be completed than has been usual on this date in recent years, says the Canadian Bank of Commerce in its monthly commercial letter for May. Farmers are encouraged in their arduous spring labours by the higher prices prevailing for wheat, which are inducing heavy deliveries at country points. The probability now is that the recorded receipts of wheat produced last year will exceed the official estimates of production. The attitude of the farmers as well as of the commercial public in Western Canada is decidedly more hopeful at present than it has been for some months. During the past few weeks a steadily increasing number of reports from industrial centres indicate that orders are satisfactory, necessitating operations on a larger scale. At the same time in all the provinces there has been a revival of retail trade. This improvement is seasonal to a large extent, but it is accompanied by a degree of optimism and confidence that has not been in evidence for some time. In many districts of Western Canada farmers are returning to the farms which they had abandoned in discouragement at the heavy fall in the prices of farm products and the exceptionally unfavourable weather conditions. Difficult as was the position of the farmer towards the end of last year, it was not more difficult than the position of those engaged in many other lines of business. It would appear from the evident determination to maintain the acreage under crop and herds of live stock at the level of past years, and to cultivate the minor sources of farm revenues, that altogether a more hopeful view of the future is now held. An official statement indicates that the acreage prepared for this season's crop in Manitoba has actually increased, and unofficial reports indicate that there has been no decrease in other Western provinces. It is noteworthy, however, that purchases are, as a rule, still confined to necessities, and that the volume of the latter, and of the credit required to provide for them, contract enormously during periods of adversity. Although commercial payments throughout Canada, and particularly in the prairie provinces, are still far from being satisfactory, the demand on the part of farmers for short-term credit and mortgage loans is not as insistent as at the

close of last year, and the requests for seed-grain loans from the Government or the municipalities are much less numerous than anticipated. The improvement is due to the rise in prices of farm products; for instance, No. 1 Northern Wheat (Fort William basis) sold on April 15 at \$1.45½ per bushel as compared with \$1.07½ in January last. The advance is substantial, and the expectation of lower freight rates, lower prices for the articles the farmer must buy in order to carry on his operations, and lower farm wages, forms the basis of the new optimism in the West.

The ordinary revenues of the Dominion for the fiscal year ending March 31 last amounted to \$371,519,454, or \$79,848,575 less than in the previous year. Ordinary expenditures aggregated \$324,758,377, or \$32,756,901 less than the year before. Capital expenditures amounted to \$16,000,000, as compared with \$48,000,000 in 1921. The decline in current or ordinary revenue is due largely to the drop in customs collections from \$162,812,951 in 1921 to \$104,420,451 in 1922. The receipts from income-tax amounted to \$8,392,562 in 1922, as compared with \$38,814,496 in the previous year.

Dividends

BANCA COMMERCIALE ITALIANA.—Final 8 p.c., making 12 p.c. for 1921.
BIRMINGHAM DISTRICT POWER AND TRACTION.—6 p.c. on Ord. for 1921.
BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.—In addition to half year's guaranteed interest of £1 10s. p.c., final dividend of £1 10s. p.c., making £6 p.c. for year ended 31st March.
BRITISH ELECTRIC TRACTION.—4½ p.c. on Ord. for year ended 31st March. 4 p.c. was paid for 1920-21.
BRITISH THOMSON-HOUSTON.—6 p.c., tax free, on Ord., for 1921.
BRUNNER MOND.—Final 5½ p.c. on Ord., making 8 p.c. for year ended 31st March, being at the same rate as for the previous year.
CANTON INSURANCE.—Final \$17 per share, making \$35 per share for 1920. Interim \$18 per share on account of 1921.
DARJEELING CO.—5 p.c. for 1921. 2½ p.c. was paid for 1920 and 8 p.c. for 1919.

DOMINION BANK (CANADA).—Usual quarterly dividend at the rate of 12 p.c. per annum.
DOOARS TEA.—Final 16½ p.c. on Ord., making 20 p.c. for 1921, and bonus of 7½ p.c. for 1920 on account of recovery of Excess Profits duty.
HAZELL, WATSON AND VINEY.—7½ p.c., tax free, on Ord. and Employees' shares for year ended 31st March. 10 p.c., tax free, was paid for 1920-21.
INVESTMENT TRUST.—Final at the rate of £9 10s. p.c. on Deferred Stock, making 15 p.c. for year ended 1st May. 14 p.c. was paid for 1920-21.
J. AND P. COATS.—Quarterly dividend of 9d. per share on Ord., as a year ago.
JOHN MACKINTOSH AND SONS.—Interim 7½ p.c. on Ord., as a year ago.
LA GUAIRA AND CARACAS RAILWAY.—Final 4 p.c., making 7 p.c. for 1921, and a bonus of 1 p.c., being at the same rate as for 1920.
LAND MORTGAGE BANK OF TEXAS.—Final 7½ p.c. on Ord., making 15 p.c. for year ended 31st March.
PABBOJAN TEA.—Final at the rate of 15 p.c., making 25 p.c., and bonus of 10 p.c.
SANTA CATALINA NITRATE.—Interim 5 p.c., comparing with 10 p.c. a year ago.
SHANGHAI ELECTRIC CONSTRUCTION.—Final 8 p.c., making 20 p.c. for 1921, being at the same rate as for 1920, when, in addition, a capitalized bonus of 25 p.c. was distributed.
SIEMENS BROTHERS.—Final 1s. on Ord., making 10 p.c., tax free, for 1921.
SPIERS AND POND.—Final 7½ p.c., making 12½ p.c. for year ended 31st March, being at the same rate as for 1920-21.
TARAPACA AND TOCOPILLA NITRATE.—10 p.c. for 1921.
TATA INDUSTRIAL BANK.—Final 6 annas per share, making R. 1 for year ended 31st March.
TRANSVAAL AND DELAGOA BAY INVESTMENT.—Interim of 7½ p.c. An interim of 10 p.c. was paid in 1921.
UNITED SUIA BETONG RUBBER.—Final 10 p.c., making 15 p.c. for 1921.
WESTERN ALLIANCE REINSURANCE.—Final 2½ p.c., making 5 p.c. for 1921.
WM. CORY AND SON.—Final 10 p.c. on Ord. and Employees' shares, making 15 p.c. for year ended 31st March. For 1920-21 10 p.c. was paid, plus a bonus of 10 p.c.

Publications Received

The Bulletin of the Federation of British Industries. May 23. 1s. This issue contains a quarterly review of transport problems from the point of view of industrial user.

NORWICH UNION MUTUAL LIFE OFFICE

Leading Features of the Report and Accounts for 1921.

Office Founded	1808
Reserve basis of Life and Endowment Insurance business	£2 10 0 %
Rate of Interest earned after deduction of Income Tax	£4 15 8 %
Margin over Rate of Interest reckoned on	£2 5 8 %
Proportion of Profits to Shareholders	None— The Society being Mutual
Basis of Valuation of Assets	Market values as at 31st Dec., 1920, as regards all securities, redeemable and permanent alike
New Business, less Reassurances	£7,512,733
Mortality Experience	64% of expectation
Total Funds at close of year	£18,557,331
Increase of Funds during the year	£1,491,760

Write for Report and Prospectus to the Secretary
NORWICH UNION LIFE OFFICE, NORWICH
or to any Branch Office of the Society

AUSTRALIAN MUTUAL PROVIDENT SOCIETY

SEVENTY-THIRD ANNUAL REPORT

REMARKABLE FIGURES

ORDINARY DEPARTMENT

NET NEW BUSINESS.—25,568 Policies, assuring £9,831,717, with Annual Premiums of £308,118.
DEATH CLAIMS.—£1,291,558, including Bonus Additions of £409,057. This is only 52 per cent. of the "Expected."
MATURITY CLAIMS.—£941,225, including Bonus Additions of £247,839.
ACCUMULATED FUNDS (including Industrial) have increased by £2,863,227 and amount to £46,711,178.
WAR AND REPATRIATION LOAN SUBSCRIPTIONS total over £13,660,000.
THE DIVISIBLE SURPLUS (after strengthening the Reserves by the application of £253,076) is £1,502,572, which represents a return of 42.4 per cent. of the premiums received under participating policies. The corresponding Reversionary Additions amount to about £2,562,000.
THE VALUATION (on a Pure Premium Basis) has been made at 3 per cent.
THE EFFECTIVE RATE OF INTEREST (after deducting Income Tax) was £5 2s. 11d. per cent. There is therefore an interest margin of more than 2½ per cent.
THE EXPENSE RATE (excluding Taxes) was 12.7 per cent. of the Premium Income. This is only about two-thirds of the provision for expenses included in the Premiums.
THE TOTAL ASSURANCES issued in 73 years amount to £216,874,999, of which £116,316,710, or 53.6 per cent., are still in force.

London Office: 73-76 KING WILLIAM ST., E.C.4
W. C. FISHER, Manager for the United Kingdom.

THE USES OF LIFE ASSURANCE

PROVISION FOR DEPENDENTS

Life Assurance enables a man to enter upon responsibilities which would be foolhardy without this protection. By means of a small annual premium adequate protection can be secured for dependents.

INDEPENDENCE FOR OLD AGE

Saving should be effected in the working years of life. Endowment Assurance is the ideal combination of Investment and Life Assurance.

DEATH DUTIES

In the case of Property Owners an assurance for the probable amount of Death Duties is the most practical means of ensuring that an estate will be intact for heirs. The Insurance Company guarantees the sum assured even if only one premium has been paid.

PARTNERSHIP ASSURANCE

Capital is usually required by a firm on the death of a partner. Life Assurance is the best means of providing the necessary amount.

CHILDREN'S EDUCATION

Public School and University Education often prove a severe tax on income. This can be relieved by effecting an Endowment Assurance and thus providing for the expense before it arises.

NOTE:—An advantage possessed by Life Assurance as a means of saving is the substantial rebate of income tax which can be claimed.

PRUDENTIAL ASSURANCE CO., LTD.

HOLBORN BARS, E.C. 1

Funds Exceed £130,000,000

ALL CLASSES OF INSURANCE BUSINESS TRANSACTED

